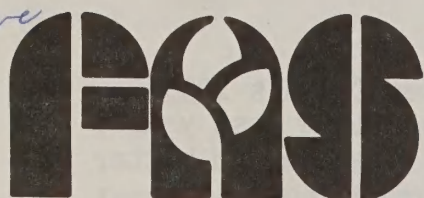


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REPORT

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE *

WR 51-83

WASHINGTON, Dec. 21--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

EC TRADE NOTES

To implement its objective of reducing wheat intervention stocks by 5 million tons this year, the EUROPEAN COMMUNITY (EC) reportedly is considering the export of 2 million tons of bread-quality wheat from intervention stocks beginning in mid-January or early February. The EC previously had decided to sell 2 million tons of intervention wheat for incorporation into animal feed and had not planned on exporting intervention wheat during the December-February period. Exports from intervention stocks were to be started only after the completion of the incorporation sales, but domestic price pressures are building to dispose of the surplus wheat quickly. Last year the EC exported only 1.1 million tons of intervention wheat.

GRAIN AND FEED

Since December 1, the SOVIET UNION has purchased over 2 million tons of grain from U.S. suppliers, bringing the total October-September 1983/84 delivery to 6.6 million tons. Corn purchases continue to run ahead of wheat, accounting for close to two-thirds of the total. The bulk of the recent purchases are believed to call for shipment during January-March 1984. This would indicate bright prospects for additional U.S. sales to the Soviets for delivery during the balance of the October-September 1983/84 agreement year.

Blended credit totaling \$244 million has been announced for MOROCCO for fiscal 1984. The blended credit package consists of \$209.4 million under the Export Credit Guarantee Program (GSM-102), combined with \$34.6 million in interest-free government credits under the Export Credit Sales Program (GSM-5). This blended credit program will enable Morocco to import around 1.6 million tons of wheat and will allow the U.S. to maintain about 65 percent of the Moroccan market. The remainder of Morocco's wheat imports come largely from the European Community. The 1983 program, which consisted of \$47.1 million under GSM-102 and \$140 million under a combination of GSM-5 and GSM-102, led to the importation of about 1.4 million tons of U.S. wheat.

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*The Weekly Roundup will not be published next week; the next issue will appear Jan. 5, 1984.

LYNN KRAWCZYK, Editor, Tel. (202) 382-9442. Additional copies may be obtained from FAS Information Services staff, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.

The U.S. agricultural counselor in Beijing estimates CHINA's 1983 rice crop (rough basis) at 161.25 million tons, an amount equal to last year's record crop. Favorable weather, improved higher yielding varieties and better cropping and management practices have worked to produce a good crop. The early rice crop, which comprises about 30 percent of total production, is estimated at about 50 million tons, 7 percent below last year. The single, northern, and late rice crops were grown under favorable conditions and are estimated at a combined record of 110 to 111 million tons.

OILSEEDS AND PRODUCTS

In the UNITED STATES, the soybean export estimate for 1983/84 has been lowered to 19.3 million tons, the lowest level since the 1977/78 marketing year. The estimated drop is due to increased competition expected from Brazilian soybean exports, poor crushing margins in Europe and the continuing high-valued dollar. However, the soybean meal export forecast was raised to 5.4 million tons, partially due to strong exports in the early part of the marketing year. Even at this slightly higher level, U.S. soybean meal exports would be at their lowest point since the 1976/77 marketing year, as competition from other protein meals and generally depressed livestock sectors in major soybean meal importing countries act to limit growth in demand for U.S. exports.

National Food Authority officials in the PHILIPPINES reportedly are looking at the possibility of buying rapeseed and barley for livestock feeds because of high prices for soybean meal. The Philippines' monthly requirement is 25,000 tons of soybean meal. No soybean meal purchases have been made for January and all purchases for 1983 have been completed. Due to two devaluations of the Philippine peso in 1983 and generally poor overall economic conditions, the Philippines is expected to import only about 200,000 tons of soybean meal in 1983/84, a 38-percent reduction from 1982/83 imports.

DAIRY, LIVESTOCK AND POULTRY

Through November, livestock production on state and collective farms in the SOVIET UNION continued well above the 1982 level and the previous record set in 1979. January-November 1983 meat output was 7 percent above the same period in 1982. The large increase in meat output occurred in grain-consuming hogs and poultry, up 12 and 8 percent, respectively. Milk and egg production increased 7 and 5 percent, respectively.

Livestock numbers on state and collective farms continued higher in all categories except cows. Cow numbers equalled inventories in 1982 and 1981 and were only marginally above that in 1980 and 1979. Livestock numbers on November 1, were as follows (compared with 1982): total cattle, 92.8 million (+2.5 percent); hogs, 59.4 million (+3.5 percent); sheep and goats, 117.5 million (+1.8 percent); poultry, 709.7 million (+2.1 percent). With improved domestic feedstuff availabilities, it appears that greater numbers of all classes of animals are being retained for feeding and slaughter and fewer for herd building.

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COTTON

GUATEMALA signed a 1983 trade agreement with TAIWAN which provides for exports of 50,000 bales of cotton to Taiwan during each of the next five years. Guatemala exported 2,399 bales to Taiwan during 1982/83 and an average of 14,900 during the five-year 1977-81 period.

Estimates for the 1983/84 NIGERIAN cotton crop have been revised downward from 122,000 bales to 83,000 bales largely due to severe drought in northern Nigeria where 60 percent of the crop is grown. Since the 1981/82 cotton season, Nigerian farmers have been struggling to reverse the general decline in cotton production. Weather has been an important uncontrollable factor coupled with late planting, labor shortages at harvest and competition from food crops.

TOBACCO

THAILAND's imports of unmanufactured tobacco during the first 10 months of 1983 totaled 4,579 tons, down 64 percent from the same period in 1982. Flue-cured tobacco imports declined 65 percent to 3,019 tons, while burley imports dropped 73 percent to 1,060 tons. The decline was attributable to the large volume of purchases made in 1982, foreign exchange restrictions and the obligation of processors to use a larger percentage of locally produced leaf tobacco. The United States continues to be the sole supplier of flue-cured and burley tobacco to Thailand. Imports are expected to increase substantially in 1984 to replenish depleted stocks and fill the growing demand for quality leaf for the manufacture of American-blend cigarettes.

Despite the need to import 8,000 to 12,000 tons of leaf annually, Thailand remains a net exporter of tobacco, with exports during 1980-82 ranging from 36,000 to 39,000 tons. Exports of flue-cured tobacco during the first 10 months of 1983 were 18,241 tons, down 5.4 percent from the 1982 level. Major markets include China, Japan, the United States, the United Kingdom and West Germany.

VEGETABLES

In ISRAEL, production of processing tomatoes continues to expand. A record 293,000-ton crop was harvested in 1983, up 22 percent from the 1982 harvest and up 62 percent from 1981 output. Yields and area both were up in 1983. Spring rains that lasted well into April provided excellent soil moisture conditions and added irrigation water for the summer- and fall-grown processing tomato crop. Additional land and irrigation water also were made available from recently uprooted citrus orchards, especially in west Galilee and the northern valleys (see WR 49-83). Practically the entire tomato area is, or can be, irrigated.

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Area and production of processing tomatoes, for the 1980-83 period, are as follows:

Year	Area (HA)	Production (MT)
1980	3,890	166,000
1981	3,750	181,000
1982	4,900	240,000
1983 (est.)	5,700	293,000

The U.S. agricultural officer in Taipei estimates TAIWAN's 1983 crop of processing tomatoes at 370,000 tons, up 9 percent from the July estimate, but down 2 percent from last season. While planted area was up 46 percent in 1983, a prolonged rainy season reduced yields 33 percent. Quality also was below that of previous years. Processing tomatoes are mainly grown in southwestern Taiwan.

An optimistic 480,000-ton production target is set for the 1984 crop, which currently is in the growing stage. Planted area is estimated to be up moderately and yields are expected to be much improved. However, recent virus outbreaks could reduce yields significantly. A new higher yielding tomato variety, Taiwan Number 2, released by the Asian Vegetable Research and Development Center in December 1982, may replace TK-70 as the dominant variety in future years.

The U.S. agricultural counselor in Athens estimates GREECE's 1983 crop of processing tomatoes at 1,040,000 tons, down 14 percent from the July estimate and down 12 percent from last season's 1,178,000-ton crop. Planted area was down 2 percent and unfavorable weather reduced yields by 10 percent. The outlook for the 1984 crop is more favorable, with area up 5 percent and a return to more normal yields expected.

WOOD AND WOOD PRODUCTS

Total forest area in JAPAN has remained relatively stable at 25.3 million hectares for the past several years. Japan's annual cut of roundwood also has been constant at just over 32 million cubic meters from a resource base of approximately 60 percent softwood and 40 percent hardwood species.

The Japanese forest industry expanded tremendously in the post-World War II years, as the booming Japanese economy demanded greater supplies of wood. By the mid-1960s, supplies of domestic timber could not keep pace with local demand. As a result, the Japanese industry developed a heavy dependence on imported raw materials. Japan's imports are still mainly raw materials and lumber. In 1982, logs, lumber and wood chips accounted for 99 percent of the total value of Japan's wood imports of \$5.23 billion.

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Supply and distribution of selected wood products are estimated as follows in 1,000 cubic meters:

Commodity	Supply/Distribution	1981	1982	1983
Wood chips	Beginning stocks	1,742	1,630	1,353
	Production	7,282	7,698	7,700
	Imports	6,276	5,761	5,900
	Total supply	15,300	15,089	14,953
	Exports	0	0	0
	Domestic consumption	13,670	13,736	13,753
	Ending stocks	1,630	1,353	1,200
	Total distribution	15,300	15,089	14,953
Softwood logs	Beginning stocks	0	0	0
	Production	20,145	20,860	21,000
	Imports	13,871	14,816	15,000
	Total supply	34,016	35,676	36,000
	Exports	29	22	35
	Domestic consumption	33,987	35,654	35,965
	Ending stocks	0	0	0
	Total distribution	34,016	35,676	36,000
Temperate hardwood logs	Beginning stocks	0	0	0
	Production	11,225	11,044	11,000
	Imports	419	444	500
	Total supply	11,644	11,488	11,500
	Exports	3	7	8
	Domestic consumption	11,641	11,481	11,492
	Ending stocks	0	0	0
	Total distribution	11,644	11,488	11,500
Tropical hardwood logs	Beginning stocks	0	0	0
	Production	0	0	0
	Imports	14,931	15,146	15,000
	Total supply	14,931	15,146	15,000
	Exports	0	0	0
	Domestic consumption	14,931	15,146	15,000
	Ending stocks	0	0	0
	Total distribution	14,931	15,146	15,000
Total sawnwood	Beginning stocks	1,460	1,362	1,243
	Production	32,497	30,944	29,400
	Imports	3,825	4,891	4,530
	Total supply	37,782	37,197	35,173
	Exports	47	40	38
	Domestic consumption	36,373	35,914	34,100
	Ending stocks	1,362	1,243	1,035
	Total distribution	37,782	37,197	35,173

Selected International Prices

Item	: Dec. 20, 1983	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			\$ per MT
Canadian No. 1 CWS-13.5%11/	199.50	5.43	+1.50
U.S. No. 2 DNS/NS: 14%.12/	192.25	5.23	+2.25
U.S. No. 2 S.R.W.11/.....	159.25	4.33	+2.25
U.S. No. 3 H.A.D.12/.....	208.00	5.66	—
Canadian No. 1 A: Durum.11/	211.00	5.74	-2.00
Feed grains:			
U.S. No. 3 Yellow Corn....	155.00	3.94	+3.00
Soybeans and meal:			
U.S. No. 2 Yellow.....	310.50	8.45	+1.25
Brazil 47/48% SoyaPellets 2/	278.00	--	-9.00
U.S. 44% Soybean Meal.....	252.00	--	-2.00
U.S. FARM PRICES 3/			
Wheat.....	127.87	3.48	--
Barley.....	88.64	1.93	+3.67
Corn.....	123.22	3.13	--
Sorghum.....	110.01	4.99 4/	-.44
Broilers 5/.....	1242.07	--	+7.06
EC IMPORT LEVIES			
Wheat 6/.....	67.48	1.84	-4.27
Barley.....	48.88	1.06	-1.02
Corn.....	45.33	1.15	-1.27
Sorghum.....	58.85	1.49	+.50
Broilers 7/.....	208.00	--	+10.00 8/
EC INTERVENTION PRICES 10/			
Common wheat(feed quality)	166.33	4.53	-1.27
Bread wheat (min. quality)	181.97	4.95	-1.38
Barley and all			
other feed grains.....	166.33	--	-1.27
Broilers 9/.....	1131.00	--	0
EC EXPORT RESTITUTIONS (subsidies)			
Wheat 10/.....	36.00	.98	-3.70
Barley.....	28.60	.62	-.70
Broilers 7/.....	173.00	--	+9.00 10/

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine. 3/ Based on selected major markets and adjusted to reflect farm prices more closely. 4/ Hundredweight (CWT). 5/ Twelve-city average, wholesale weighted average. 6/ Durum has a special levy. 7/ EC category--70 percent whole chicken. 8/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 14 Sept 83 from 22.50 ECU/100 bag set in Feb 1983. 9/ F.o.b. price for R.T.C. broilers at West German border. 10/ Corrective amount in ECU's: Dec. zero, Jan. -3, Feb. -5, Mar. -6. 11/ April-May shipment. 12/ Jan/Feb/Mar shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis January delivery.

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